Canada Economic Development for Quebec Regions

Développement économique Canada pour les régions du Québec

DEPARTMENTAL PLAN

Canada Economic Development for Quebec Regions

2017-18

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development and Minister responsible for Economic Development Agency of Canada for the Regions of Quebec

Canada

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Minister's message

Our 2017–18 Departmental Plan provides parliamentarians and Canadians with information on what we do and the results we are trying to achieve during the upcoming year. To improve reporting to Canadians, we are introducing a new, simplified report to replace the Report on Plans and Priorities.

The title of the report has been changed to reflect its purpose: to communicate our annual performance goals and the financial and human resources forecast to deliver those results. The report has also been restructured to tell a clearer, more straightforward and balanced story of the actual results we are trying to achieve, while continuing to provide transparency on how tax payers' dollars will be spent. We describe our programs and services for Canadians, our priorities for 2017–18, and how our work will fulfill our departmental mandate commitments and the government's priorities.

Through the programs of the Innovation, Science and Economic Development Portfolio, we are working together to deliver Canada's Innovation Agenda—a whole-of-government initiative to position Canada as a global centre for innovation, create better jobs and opportunities for the middle class, drive growth across all industries and improve the living standards of all Canadians. The work of the Portfolio also includes commercializing more research and ideas; providing more Canadians with the skills to participate in a global and digital economy; helping small businesses grow through innovation, access to capital and trade; promoting increased tourism to Canada; and supporting scientific research and the integration of scientific considerations in our investment and policy choices.

It is my pleasure to present the Departmental Plan for Canada Economic Development for Quebec Regions (CED) for 2017–18.

The Honourable Navdeep Bains
Minister of Innovation, Science and Economic Development and Minister responsible for Economic Development Agency of Canada for the Regions of Quebec

Institutional Head's message

I am proud to present the Departmental Plan 2017–18 for CED. The Plan sets out the main levers CED will use to accompany Quebec regions toward the economy of tomorrow – a more innovative, green and inclusive economy.

CED will pursue its collaboration and dialogue undertaken in 2016 with all regional development stakeholders to better help Quebec regions address the challenges they face and provide them with programs that meet their needs and make a real difference on the ground.

Through its business offices and its Industrial and Technological Benefits team, CED will continue to stimulate the economic development of Quebec regions. We will help communities to showcase their economic assets, diversify, strengthen and develop their growth potential, building on the vitality of their businesses and non-profit organizations.

In 2015–16, our clients expressed their satisfaction with 94% of our programs. We will pursue our modernization efforts to continue to provide relevant, quality programs, using a results-based, inclusive and streamlined approach.

CED plays a unique role in Quebec. Its regional focus and distinctive service offer and the tangible scope of its activities make it a key player in achieving the objectives of the Government of Canada.

Sincerely,

Manon Brassard
Deputy Minister / President of the Economic Development Agency of Canada for the Regions of Quebec

Plans at a glance

The priorities presented below represent the areas that CED has chosen to focus on in fiscal 2017–18 through the programs in its Program Alignment Architecture (PAA). They are aligned with the ideas shared by over 1,000 members of the public, regional economic development stakeholders and CED employees who participated in the Engagement Strategy[i] activity carried out by CED in 2016. The goal of the activity was to inform CED's strategy for the coming years. They will also contribute to the Government of Canada's Innovation Agenda[ii], which focuses on people, technology and businesses.

CED's priorities are as follows:

- **Innovation**
  Help existing businesses and start-ups to innovate by supporting the development of products, services, processes, new technologies, business practices, marketing methods or marketing of an innovation.
- **High-impact firms**
  Coordinate the Accelerated Growth Service in Quebec. This service offers high-impact firms coordinated, customized action from several federal aid programs (eg, financing solutions, advisory services, and export and innovation support) to encourage their rapid growth and international competitiveness.
- **Clean technology**
  Support clean technologies by fostering the development, production or adoption of technologies that improve environmental performance in a given market.
- **Economic diversification**
  Strengthen the entrepreneurial or industrial fabric of a community and decrease its dependence on a limited number of sectors or counter their decline.
- **Economic development of Indigenous communities**
  Support the economic development of Indigenous communities in order to promote their participation in the economy and enable them to seize business opportunities.

In addition to its regional economic development priorities, CED plans to pursue its internal services and program delivery modernization efforts, notably through its participation in developing a new common grants and contributions management system, the development and implementation of its Departmental Workplace Well-Being Strategy, including mental health, and its innovation and experimentation activities, which could account for up to 2% of its operating budget for fiscal year 2017–18.

CED pays special attention to communities with low economic growth potential. It has an economic development index that can be used to determine the level of economic development of Quebec's 104 communities that helps it properly meet needs and better target its actions.

CED develops regional action strategies for achieving its mandate and priorities at its business offices, while ensuring accessibility and a federal presence in the regions. Using these regional strategies, the Agency tailors its actions to the context, the specific needs and the particular issues facing the various regions of Quebec.

For more information on CED's plans, priorities and planned results, see the "Planned results" section of this report.

Highlights

CED will coordinate the Accelerated Growth Service pilot project in Quebec with its federal partners in order to respond to the government's national priorities and encourage the growth of high-impact firms, thereby helping them to be more competitive internationally.

Highlights

CED will contribute to the government's commitments to combat climate change and reduce greenhouse gas emissions through $25 million in spending on clean technology projects being carried out by businesses and organizations in 2017–18.

Raison d'être, mandate and role: who we are and what we do

Raison d'être

Pursuant to its enabling legislation[iii], the mandate of the Economic Development Agency of Canada for the Regions of Quebec (CED) is to "promote the long-term economic development of the regions of Quebec by giving special attention to those where slow economic growth is prevalent or opportunities for productive employment are inadequate".

Mandate and role

CED is part of the Innovation, Science and Economic Development Portfolio, which is comprised of 17 departments and agencies, including the RDAs (such as CED) and other federal agencies, such as the National Research Council (NRC) and the Business Development Bank of Canada (BDC). Their mandate is to "further the government's goal of building a knowledge-based economy in all regions of Canada and to advance the government's jobs and growth agenda."

CED is the key economic development player for Quebec's regions for small and medium-sized enterprises (SMEs). As part of its mission, CED fosters business start-ups and growth. It helps them become more innovative, productive and competitive. It supports efforts to engage the regions of Quebec and attract investments that will help boost the economic well-being of Quebec and Canada.

CED contributes to the economic vitality of all of Quebec's regions by leveraging their competitive regional advantages, such as wind power and marine technologies. It also supports the transition and diversification of communities that remain dependent on a limited number of sectors or that have been affected by an economic shock, such as the closure of the chrysotile mines.

CED achieves its results by supporting businesses, primarily SMEs, and non-profit organizations (NPOs), through strategic investments. Through its 12 business offices across Quebec's regions, its engagement strategy and the relationships it has developed with other economic development players, CED stays abreast of the needs of the regions and businesses and is able to offer financial support to carry out projects that support businesses and communities in their economic development efforts.

CED's Grants and Contributions Programs and Initiatives, in effect during 2017–18[iv] [v]

Main Program: *Quebec Economic Development Program* (QEDP)[vi]

- Targeted and/or Temporary Initiatives :
  - *Economic Recovery Initiative for Lac Mégantic*
  - *Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile*
  - *Strategic Initiative to Combat the Spruce Budworm Outbreak in Quebec*
  - *Linguistic Duality Economic Development Initiative (EDI) (Canada-wide initiative)*
  - *Canada 150 Community Infrastructure Program (CIP 150) (Canada-wide initiative)*

National program implemented in Quebec by CED:

- Community Futures Program (CFP)

For more general information about the department, see the "Supplementary information" section of this report.

Operating context: conditions affecting our work

CED is maintaining an ongoing analysis of its evolving operating context, so as to identify and act on emerging challenges and new opportunities with a substantial influence on its regional economic development activities.

External environment

CED operates in a context of modest world economic growth where global risks are interdependent. This context is characterized by the fluctuating value of raw materials and the Canadian dollar, strong global competition in some sectors, numerous technological and political changes, and measures affecting trade on global markets. These factors will have an impact on the manufacturing sector and exports of Quebec enterprises. The regions of Quebec that have a single industry economy or one that is highly concentrated in sectors influenced by these factors will have to redouble their efforts to strengthen and diversify their economic base.

The entrepreneurial context in Quebec is marked by challenges for innovation and the commercialization of research and development, and by the transformation of the support structure for regional economic development and businesses. These challenges are encouraging economic development stakeholders in Quebec to pursue their adjustment efforts and to strengthen collaboration to ensure consistent actions in the regions.

Internal environment

CED will have to meet the challenge of attracting and retaining qualified and specialized employees in order to meet specific needs and priorities.

CED is implementing a number of government-wide initiatives, such as the replacement of the financial management system, the Treasury Board Secretariat's policy reset, and data centre consolidation, in line with the Government of Canada's renewal, modernization and innovation vision for the public service. Over the coming year, the simultaneous implementation of all these initiatives, the transformation of CED's business processes and the relocation of its head office will create significant financial pressures and represent a challenge for realization.

Key risks: things that could affect our ability to achieve our plans and results

Risk 1: Maintaining a functional and secure technology infrastructure

The internal risk presented in the table below, which is related to the maintenance of functional and safe technological infrastructure, is designated as being the most likely to affect CED's ability to achieve its results in this reporting period.

Indeed, current CED technology infrastructure is aging. The risks of service failures or data loss are high pending infrastructure renewal or migration to a new data center. Required to relocate its head office at the beginning of the 2018-2019 fiscal year, CED faces a challenge, out of its control to maintain its technology infrastructure while waiting for the technology solution to be chosen by its technology infrastructure service provider. Service failures or data losses could harm CED's operations and adversely affect the quality of client services.

To mitigate the possibility of service failures and data losses, in addition to redoubling its security efforts, CED will have to perform an analysis and prepare options for maintaining and renewing its technology assets and meeting technology infrastructure, as well as information management system needs. This will facilitate informed decision making concerning the best option to be implemented in order to manage risk, based on CED's resources.

CED will continue to measure the effectiveness of its risk mitigation strategy to meet technology infrastructure, as well as information management system needs to alert Shared Services Canada in a timely fashion.

Risk 2: Ability to adapt the delivery of its mandate in a changing economic environment

A number of external factors, as described in the previous section, are likely to have an impact on the delivery of the organization's mandate, making it more difficult to create new businesses, expand existing businesses, and by reducing the number of entrepreneurs.

CED is developing a risk mitigation strategy aimed at tailoring the delivery of its mandate in response to the external environment, and achieving the expected outcomes, specifically as it concerns export and manufacturing sector projects.

Under this risk mitigation strategy, CED will implement and communicate its main strategic directions, which incorporate the Government of Canada's priorities and the commitments in the

mandate letter to the minister of the Innovation, Science and Economic Development portfolio. CED will also continue to engage in dialogue with stakeholders and the public. Such dialogue has been taking place on a more regular basis since the implementation of the CED Engagement Strategy in 2016–17[vii].

Furthermore, CED will ensure the achievement of departmental priorities through its integrated planning and quarterly follow-up, which will allow for decisions and adjustments to be made in a timely manner. CED will continue to develop tools for the purpose of tailoring its activities to the environment; these tools include the development and implementation of regional strategies, and priority monitoring dashboards.

Through strategic monitoring, CED will also strive to remain constantly abreast of changes to the economic context and factors that could influence the economic development of the regions of Quebec.

CED will measure the effectiveness of its strategies for mitigating the risk associated with the organization's adaptability through the following:

- CED's results linked to the implementation of departmental priorities and the delivery of programs.
- The development and implementation of targeted or temporary initiatives in response to specific regional issues, stemming from the monitoring of the economic context and needs of the regions.
- Feedback from stakeholders and the public regarding CED's activities, provided through dialogue with the Client Satisfaction Office.

Key risks

Risks	Risk response strategy	Link to the Department's Programs	Link to mandate letter commitments or to government-wide and departmental priorities
Maintaining a functional and secure technology infrastructure Risk that the existing technology infrastructure, the security thereof, and available information and related systems will not provide appropriate support for operational requirements, thereby affecting CED's operating capacity.	• Analyze and develop options to maintain CED's technological capacity and meet needs relating to infrastructure, technology and an information management system.	1.1 Business Development 1.2 Regional Economic Development 1.3 Strengthening Community Economies 1.4 Internal Services	Innovation Agenda
Ability to adapt the delivery of its mandate in a changing economic environment Risk regarding CED's capacity to tailor the delivery of its mandate in response to the Government of Canada's priorities and expected outcomes, the needs of the regions, and the economic context.	• Plan and track departmental priorities • Continuously monitor the regional economic development context • Develop and communicate regional strategies • Maintain ongoing dialogue with stakeholders and the public • Develop tools to tailor CED's activities	1.1 Business Development 1.2 Regional Economic Development 1.3 Strengthening Community Economies	Innovation Agenda

Planned results: what we want to achieve this year and beyond

Programs

Program 1.1
BUSINESS DEVELOPMENT

Description

This program is designed to support enterprises' development throughout their life cycle so as to sustain Quebec's economic growth. Businesses, particularly SMEs, are drivers of economic development. They are recognized as generating a significant share of economic activity and creating employment in communities.

CED supports the emergence of new enterprises and business succession. CED also works to increase the competitiveness of existing enterprises and support their survival by enhancing their performance. It does so by supporting projects that enable enterprises to modernize, expand, launch or extend their export activities, and strengthen their capacity to innovate, commercialize, and establish partnerships.

In this program, CED mainly targets businesses, either directly or through non-profit organizations serving businesses and entrepreneurs. It promotes business development through a G&C program, called the Quebec Economic Development Program (QEDP)[1].

Planning highlights

For fiscal year 2017–18, CED plans to use the Quebec Economic Development Program (QEDP)[viii] to focus on innovation, clean technologies and high-impact businesses, thereby contributing to implement in Quebec the Government of Canada's Innovation Agenda and commitments in the most recent Budgets.

To this end, CED intends to:

- Foster the development and adoption of clean technologies by supporting projects involving the development of products, processes or business diagnostics or the purchase of equipment, or by supporting organizations that support businesses in these efforts.

[1] CED also promotes the capacities of Quebec companies to prime contractors in order to maximize the industrial and technological benefits generated by the Government of Canada's defense procurement projects in the aerospace, navy, land and security.

- Pursue the coordination of federal activities targeting rapidly growing businesses in Quebec, in co-operation with the Innovation, Science and Economic Development portfolio and Export Development Canada.
- Continue to support start-up businesses by providing assistance in all regions of Quebec for organizations such as incubators, universities, college technology transfer centres, accelerators and industrial clusters.
- Support the strengthening of businesses' digital capacity, particularly in the manufacturing sector, by means of projects involving the acquisition of software or equipment that relies on digital technology.

Highlights

CED committed to support in 2017-18 the start-up of Damabois Énergie inc., a company that manufactures energy logs made of bark and densified aspen shavings. The project makes use of by-products with a low commercial value to market heating products for high environmental performance stoves.

In recent years, Quebec businesses have evolved in a favourable economic context. CED also increased its intervention within the Business Development program in order to support entrepreneurship and enhance businesses competitiveness. As illustrated in the table on the following page, CED results have increased over the past three years. Consequently, CED is targeting in 2017-18 a survival rate of 98% for businesses supported in their development and 93% for businesses supported in their start-up.

The adoption of digital and information technologies constitutes a success factor for the businesses that have been created, and helps existing businesses be more competitive[IX]. Within the context of fierce global competition and technological change, the adoption of technological innovations and clean technologies has been identified by participants in CED's Engagement Strategy[X] as an economic development issue in Quebec. The activities planned by CED will help address this issue.

The key factors of the current economic context could have an impact on CED's business development activities, as stated in the key risk relating to CED's capacity to adapt to its external environment.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
The pool of Quebec businesses is renewed	Survival rate of businesses supported in their start-up[xi]	93%	March 31, 2018	86%	91%	94%
Quebec businesses are competitive	Survival rate of businesses supported in their development[xii]	98%	March 31, 2018	97%	97%	99%

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
145 866 881	145 866 881	136 290 418	136 530 866

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
121	139	139

Information on the CED's lower-level programs is available on the CED's website[xiii] and in the TBS InfoBase.[xiv]

Program 1.2

REGIONAL ECONOMIC DEVELOPMENT

Description

This program is intended to strengthen the regions' economic base so as to sustain the growth of Quebec's economy. Quebec's regions differ in, among other things, their industrial structure, and some are more sensitive to economic fluctuations than others. Quebec's prosperity depends on the different regions' participation in the economy to their full potential. CED contributes to building strong, competitive regions, and does so by supporting local communities as they take charge of their economic development and by stimulating investment in all Quebec regions.

In this program, CED intervenes primarily through non-profit organizations active in economic development. It supports regional economic development through a G&C program, the QEDP.

Planning highlights

In 2017–18, CED plans to contribute to the economic diversification of the regions of Quebec through the implementation of its regional economic development program, thus also contributing to the Government of Canada's Innovation Agenda.

To achieve its expected outcomes for 2017–18, CED plans to focus on the following activities:

- Continue to build on competitive regional advantages by promoting the regions' assets in terms of investment and tourism.
- Support the mobilization and joint activities of economic development players by:
    - Stepping up CED's presence in the regions, particularly in devitalized communities, by increasing participation in meetings with regional stakeholders and entrepreneurs or in various discussion forums dealing with the economic development of the regions of Quebec; and
    - Providing funding for growth-generating projects for communities, such as the drafting of development plans or the implementation of diversification or economic recovery initiatives.

In light of various factors including the drop in the Canadian dollar, the Conference Board of Canada is projecting a rise in spending in Quebec by tourists from outside the province[xv]. In 2017–18, CED aims to contribute to generating $3.9 billion in spending by tourists from outside Quebec. CED will also help attract or maintain $1.4 billion in foreign direct investment. Its funding to the regions aims to generate an overall investment of $21.7 million in the regions receiving support.

Within the context of the transformation of the province's regional economic development and business support structure, CED's support for mobilization and joint activities will foster greater

consistency in terms of the approach and activities of the various regional players. Mobilizing community stakeholders to take charge of their development was another issue identified by participants in the Engagement Strategy[xvi] for the economic diversification of Quebec regions.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Quebec regions have a strong economic base	Total amount of investment generated in regions supported that completed the implementation of their development project	$21.7M	March 31 2018	$8.1M	$2.7M	$25M
	Amount spent by tourists from outside Quebec attracted to the regions supported	$3.9B	March 31 2018	$3.4B	$3.5B	$3.8B
	Amount of foreign direct investment maintained in or attracted to the regions supported	$1.4B	March 31 2018	$1.4B	$1.2B	$1.7B

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
34 883 447	34 883 447	33 080 533	33 140 615

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
20	30	30

Information on the CED's lower-level programs is available on CED's website[xvii] and in the TBS InfoBase.[xviii]

Program 1.3
STRENGTHENING COMMUNITY ECONOMIES

Description

In addition to its regular programs, CED develops, administers and implements Canada-wide programs or temporary and/or targeted initiatives. The common objective throughout is to strengthen community economies in order to increase Quebec's economic growth. CED thus supports communities' economic development. CED also supports economic activity in Quebec communities that are undergoing economic shocks, experiencing significant development challenges or attending to grasp long-term business opportunities.

This program targets non-profit organizations and businesses. In this program, CED uses dedicated, temporary or permanent additional funding from the Government of Canada, or specific funds which it allocates via the QEDP. It also intervenes by means of a permanent fund dedicated to the Community Futures Program (CFP).

Planning highlights

In 2017–18, CED plans to help strengthen community economies through this program, thus contributing to the implementation of the Innovation Agenda.

CED will step up its efforts with respect to inclusive growth, especially through its support for Indigenous communities and Anglophones minority communities through the Linguistic Duality Economic Development Initiative, as well as economic diversification through local entrepreneurship in the regions and targeted support to communities experiencing an economic shock.

To this end, CED plans to focus on the following activities:

- Continue to promote the development of local entrepreneurship in communities by supporting projects that will foster start-up and growth, through regional development agencies under the CFP.
- Pursue capacity-building and economic diversification efforts for communities that have suffered an economic shock, through the implementation of the Lac-Mégantic Economic Recovery Initiative, and the Economic Diversification Initiative for Communities Reliant on Chrysotile.
- Enhance co-operation, collaboration and communication with Aboriginal communities and economic development players with a view to analyzing, in conjunction with the various players involved, community needs and the best ways of addressing these needs.

- Implement the Canada 150 Community Infrastructure Program by supporting projects that contribute to the development of Aboriginal communities or that have a positive environmental impact.

Highlights

As part of Canada's 150th anniversary celebrations, CED has granted $102,500 in funding to the Anicinapek of Kitcisakik Band Council under the theme "Strong, active, united communities." The project will help upgrade the community's outside skating rink, thus allowing it to maintain its community vocation and remain open and accessible to the public.

The CFP evaluation[xix] published in 2015 reports on the relevance of the entrepreneurship services provided to the regions by regional development agencies. The previous results for this program also show that CED's impact with businesses, through the CFP, is growing from year to year. CED thus aims to achieve a 24% higher survival rate for CFP-supported businesses compared with comparable businesses, three years after the end of their project.

CED also plans to generate one-time or targeted investments of $208 million in the communities supported.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Quebec communities have strong economies	CFP: Percentage point increase in the survival rate of CFP clients who have received assistance compared with comparable businesses that did not receive assistance	24 percentage points	March 31 2018	18 percentage points	20 percentage points	26 percentage points
	Infrastructure Modernization: Value of total investment generated in communities[1]	n/a	n/a	n/a	n/a	n/a
	Temporary or Targeted Support: Amount of total investment generated in communities	$208M	March 31 2018	$86.2M	$23.4M	$48.9M

1. Expected results with respect to this program appear in Infrastructure Canada's Departmental Plan.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
104 721 027	104 721 027	47 118 599	39 355 723

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
51	20	20

Information on CED's lower-level programs is available on CED's website[xx] and in the TBS InfoBase.[xxi]

Internal Services

Program 1.4
INTERNAL SERVICES

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Planning highlights

In 2017–18, CED plans to contribute to the priorities of the Clerk of the Privy Council, as well as to the Government's priorities relating to the renewal of the public service, through its activities carried out by the Internal Services division.

CED will pay particular attention to the implementation of the Federal Public Service Workplace Mental Health Strategy and collaborative efforts relating to the development of the Common System for Grants and Contributions.

To this end, CED plans to carry out the following activities:

- Develop and implement the Departmental Workplace Well-being Strategy, which includes mental health and which is in line with the Federal Public Service Workplace Mental Health Strategy.
- Pursue the planning, design, implementation and monitoring of 25 government transformation initiatives, including:
    - participation in the development of the common system for grants and contributions, which will improve the client experience through online access, alleviate administrative requirements and reduce waiting times; and
    - the replacement of the financial management system.
- Implement a new integrated talent management approach, to ensure successful succession management and the retention of a competent, skilled and specialized workforce within the organization.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
18 345 114	18 345 114	18 266 055	18 266 879

Human resources (full-time equivalents)

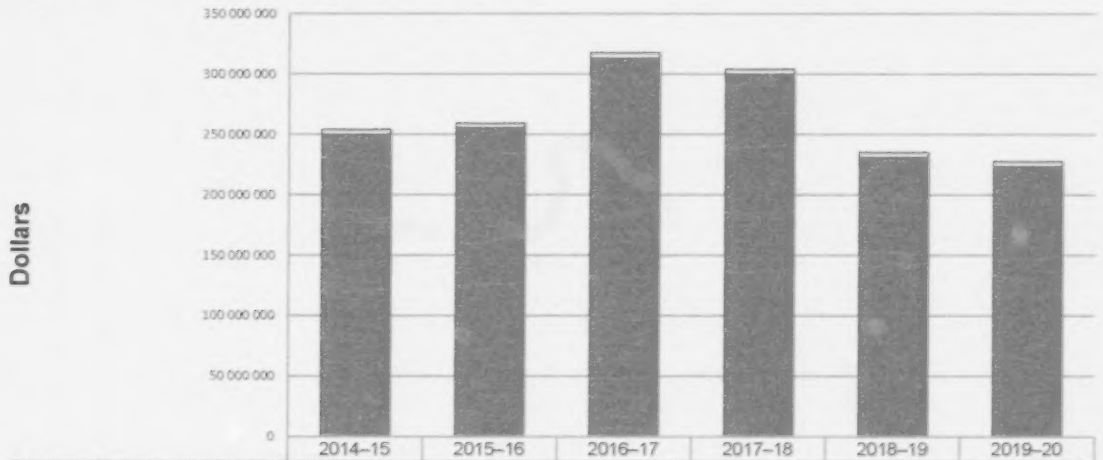
2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
134	132	132

Spending and human resources

Planned spending

This section presents an overview of CED's planned spending and human resources (FTEs) for the next three consecutive fiscal years, starting with 2017–18. Planned spending is also compared with the current and previous years' actual spending. The dark blue bar corresponds to expenditures in grants and contributions and operating expenses within the framework of its programs. The light blue bar shows statutory expenditures related to the CED Employee Benefit Plan.

Departmental spending trend graph



	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Sunset Programs – Anticipated	0	0	0	0	0	0
Statutory	4 243 598	4 070 043	4 917 420	4 331 876	4 332 190	4 332 190
Voted	249 654 318	255 126 957	312 747 052	299 484 593	230 423 415	222 961 893
Total	253 897 916	259 197 000	317 664 472	303 816 469	234 755 605	227 294 083

CED's program spending has grown between 2014 and 2017. Spending peaked at $318 million in 2016–17. In 2017–18, CED'S total Planned Spending is $304 million. The funding gap for voted appropriations from 2018 to 2019 is due, among other things, to the termination of certain Temporary Initiatives and the reinvestment of revenues from clients' contribution repayments that are included in the 2017–18 planned spending, but not for subsequent years; official approvals for these fiscal years had not been obtained at the time of writing of this Departmental Plan.

Details of the fluctuations can be found in the description of the Budgetary planning summary for Programs and Internal Services.

Budgetary planning summary for Programs and Internal Services (dollars)[2]

Programs and Internal Services	2014–15 Expenditures	2015–16 Expenditures	2016–17 Forecast spending	2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
Program 1.1: Business Development	146 564 462	147 576 913	178 497 274	145 866 881	145 866 881	136 290 418	136 530 866
Program 1.2: Regional Economic Development	34 133 620	33 610 006	31 380 956	34 883 447	34 883 447	33 080 533	33 140 615
Program 1.3: Strengthening Community Economies	55 328 034	60 180 857	90 278 113	104 721 027	104 721 027	47 118 599	39 355 723
Subtotal	**236 026 116**	**241 367 776**	**300 156 343**	**285 471 355**	**285 471 355**	**216 489 550**	**209 027 204**
Internal Services	17 871 800	17 829 224	17 508 129	18 345 114	18 345 114	18 266 055	18 266 879
Total	**253 897 916**	**259 197 000**	**317 664 472**	**303 816 469**	**303 816 469**	**234 755 605**	**227 294 083**

Over the past three fiscal years, total CED expenditures have increased from nearly $254 million to $318 million. The anticipated increase in total CED spending in 2016–17 is due in part to increased revenues from the repayment of contributions by clients, a temporary increase in planned spending levels for the extension of the natural gas transmission system between Lévis and Sainte-Claire (Bellechasse gas pipeline) and the funding of the Canada 150 Community Infrastructure Program (CIP 150 - Component I and II).

Although CED received a dedicated budget in 2016–17 to deliver CIP 150, it is expected that the majority of disbursements will be realized in 2017–18, given the nature of the projects, namely, rehabilitation and improvement of infrastructures. In order to adapt continuously to the challenges and issues faced by businesses and regions in Québec, CED carries out, as necessary, a reallocation of the financial resources available between the various programs of its PAA.

As a result, there is a one-time increase in spending under Program 1.1 Business Development in 2016–17.

The decrease in planned spending from 2018 to 2019 in the Strengthening Community Economies Program is attributable to a reduction in funding of the Economic Recovery Initiative

[2] The reinvestment of income from the repayment of contributions by clients is included in the planned spending for 2017–18, but not included in future years; the main estimates for those fiscal years not being established and authorized.

for Lac Mégantic and the Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile, as well as the end of the CIP 150 Program and Bellechasse gas pipeline in the next two (2) years.

For fiscal year 2017–18, total CED expenditures in grants and contributions and operating costs are $304 million. Of this amount, $263 million is expected to be invested in grants and contributions. The operating budget and benefits will be $41 million.

Planned human resources

Human resources planning summary for Programs and Internal Services (full-time equivalents)

Programs and Internal Services	2014–15 Full-time equivalents	2015–16 Full-time equivalents	2016–17 Forecast full-time equivalents	2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
Program 1.1: Business Development	121	134	122	121	139	139
Program 1.2: Regional Economic Development	20	16	20	20	30	30
Program 1.3: Strengthening Community Economies	47	37	52	51	20	20
Subtotal	**188**	**187**	**194**	**192**	**189**	**189**
Internal Services	127	128	141	134	132	132
Total	**315**	**315**	**335**	**326**	**321**	**321**

The FTEs used have increased over the past three years, from 315 in 2014-15 to 335 in 2016-17. This situation is notably attributable to the implementation of CIP 150 and the allocation of resources to government-wide activities and initiatives, CED's transformation and simplification, such as the development of a common system for grants and contributions. For fiscal year 2017-2018, CED plans to use 326 FTEs to deliver its mandate and to support its current and future major and government-wide projects.

It is noteworthy that starting in 2018–19, the number of FTEs will decrease considerably in the Strengthening Community Economies program 1.3. That reduction is attributable chiefly to the end of the CIP 150 on March 31, 2018. Resources usually dedicated to CED's Business Development Program 1.1 and Regional Economic Development Program 1.2 were allocated for

a 2-year period for the delivery of the temporary program. The end of that program will consequently allow for a substantial return of human resource efforts in those two programs, with the goal of supporting all the activities of its mandate and intensifying its efforts in connection with the priorities of CED and the Government.

Estimates by vote

For information on CED's organizational appropriations, consult the 2017–18 Main Estimates.[xxii]

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of CED's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the Future-Oriented Condensed Statement of Operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Departmental Plan are prepared on an expenditure basis, amounts may differ.

A more detailed Future-Oriented Statement of Operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on the CED's website[xxiii].

Future-Oriented Condensed Statement of Operations for the year ended March 31, 2018 (dollars)

Financial information	2016–17 Forecast results	2017–18 Planned results	Difference (2017–18 Planned results minus 2016–17 Forecast results)
Total expenses[3]	201,922,000	215,233,000	13,311,000
Total revenues	0	0	0
Net cost of operations before government funding and transfer	201,922,000	215,233,000	13,311,000

In 2017–18, CED's total net expenditures are projected to be $215.2 million, a 6.6% increase over the previous fiscal year. This increase in net expenditures for 2017–18 is mainly due to an upward forecast of non-repayable transfer payments due to Canada 150 Community Infrastructure Program. On the other hand, a reduction in expenses is planned following the completion of the extension of the natural gas network project between Lévis and Sainte-Claire in Quebec. In addition, a decrease in operating expenses is anticipated as a result of the completion of the Building Canada Fund program.

[3] Expenses reflect the economic resources used by CED during a period to deliver the programs in its PAA, and are of two types: transfer payments and operating expenses. Expenses calculated in the context of the *Future-oriented Statement of Operations* (Section III) differ from those presented in sections I and II of the Departmental Plan, since unconditionally repayable contributions are accounted for as loans, thus reducing total transfer payment expenses.

CED's planned expenditures consist largely of transfer payments, which are payments related to non-repayable and conditionally repayable contributions. These are projected to total $168.5 million in 2017–18 and represent an increase of 9.3% compared to 2016–17.

CED's revenues, returned to the consolidated revenue fund, are declared in its financial statements as being earned on the government's behalf. As a result, the organization's net revenues are zero. Note that CED's total gross revenues are forecast to amount to $358 thousand in 2017–18, a decrease of $185 thousand in comparison to fiscal year 2016–17. The planned amount for 2017–18 represents the average of net revenues of the organization for the past few years.

Supplementary information

Corporate information

Organizational profile

Appropriate minister(s):

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec

Institutional head: Manon Brassard

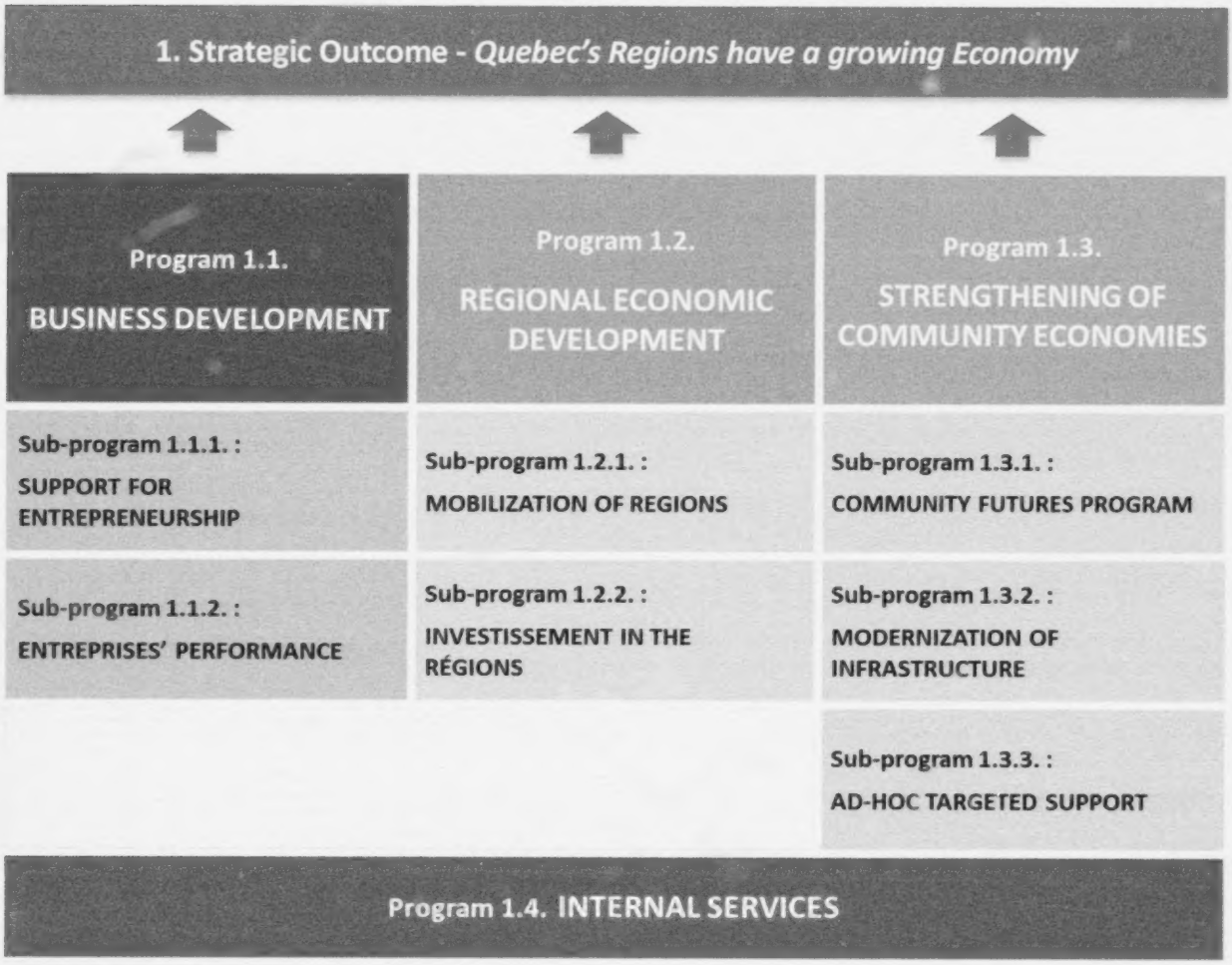
Ministerial portfolio: Innovation, Science and Economic Development

Enabling instrument(s):
Economic Development Agency of Canada for the Regions of Quebec Act [xxiv]
S.C. 2005, c. 26

Year of incorporation / commencement: 2005

Reporting framework

The CED Strategic Outcome[s] and Program Alignment Architecture (PAA) of record for 2017–18 are shown below:



Supporting information on lower-level programs

Supporting information on lower-level programs is available on the CED's website[xxv] and in the TBS InfoBase.[xxvi]

Supplementary information tables

The following supplementary information tables are available on the CED's website[xxvii].

- Details on transfer payment programs of $5 million or more
- Upcoming evaluations over the next five fiscal years

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the Report on Federal Tax Expenditures.[xxviii] This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information

Canada Economic Development for Quebec Regions

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CANADA

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Fax: 514-283-3302

Website: http://www.dec-ced.gc.ca

Appendix [A]: definitions

Appropriation (crédit)

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

Budgetary expenditures (dépenses budgétaires)

Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Core Responsibility (responsabilité essentielle)

An enduring function or role performed by a department. The intentions of the department with respect to a Core Responsibility are reflected in one or more related Departmental Results that the department seeks to contribute to or influence.

Departmental Plan (Plan ministériel)

Provides information on the plans and expected performance of appropriated departments over a three-year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result (résultat ministériel)

A Departmental Result represents the change or changes that the department seeks to influence. A Departmental Result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

Departmental Result Indicator (indicateur de résultat ministériel)

A factor or variable that provides a valid and reliable means to measure or describe progress on a Departmental Result.

Departmental Results Framework (cadre ministériel des résultats)

Consists of the department's Core Responsibilities, Departmental Results and Departmental Result Indicators.

Departmental Results Report (Rapport sur les résultats ministériels)

Provides information on the actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

Full-time equivalent (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government-wide priorities (priorités pangouvernementales)

For the purpose of the 2017–18 Departmental Plan, government-wide priorities refers to those high-level themes outlining the government's agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada's Strength; and Security and Opportunity.

Horizontal initiatives (initiative horizontale)

A horizontal initiative is one in which two or more federal organizations, through an approved funding agreement, work toward achieving clearly defined shared outcomes, and which has been designated (e.g. by Cabinet, a central agency, etc.) as a horizontal initiative for managing and reporting purposes.

Management, Resources and Results Structure (Structure de la gestion, des ressources et des résultats)

A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

Non-budgetary expenditures (dépenses non budgétaires)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

Performance (rendement)

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

Performance indicator (indicateur de rendement)

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

Performance reporting (production de rapports sur le rendement)

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

Planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

Plans (plan)

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

Priorities (priorité)

Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

Program (programme)

A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (architecture d'alignement des programmes)

A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Results (résultat)

An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Statutory expenditures (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (résultat stratégique)

A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

Sunset program (programme temporisé)

A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

Target (cible)

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

Voted expenditures (dépenses votées)

Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Endnotes

[i] CED Engagement Strategy 2016, http://dec-ced.gc.ca/eng/resources/publications/other/2016/345/index.html
[ii] Canada's Innovation Agenda, https://www.ic.gc.ca/eic/site/062.nsf/eng/h_00009.html
[iii] Economic Development Agency of Canada for the Regions of Quebec Act S.C. 2005, c. 26, http://laws-lois.justice.gc.ca/eng/acts/E-1.3/index.html
[iv] For more information on the description of these program and initiatives, please refer to CED's Website: http://www.dec-ced.gc.ca/eng/funding/index.html and to supplementary information tables on transfer payments.
[v] A grants and contributions or a transfer payment program is not a program or subprogram within the meaning of the PAA.
[vi] The description of the Quebec Economic Development Program is available in the Supplementary Information Table: *Details on transfer payment programs of $5 million or more*
[vii] CED Engagement Strategy 2016, http://dec-ced.gc.ca/eng/resources/publications/other/2016/345/index.html
[viii] CED's main grant and contribution program, the PDEQ, came into effect on April 1, 2012. The main beneficiaries of the program are SMEs, business associations or associations and NPOs whose main mission is to support Enterprises or economic development. QBDP includes refundable and non-refundable contributions.
[ix] CEFRIO, 2015. Index of electronic commerce in Québec (IECQ), business component.
[x] CED Engagement Strategy 2016, http://dec-ced.gc.ca/eng/resources/publications/other/2016/345/index.html
[xi] CED carried out a methodological change of this indicator in 2015-16, moving from a cumulative target to an annual target. To reflect a consistent picture of the results, the actual results presented from 2013-14 to 2015-16 were calculated according to the new methodology adopted in 2015-16.
[xii] CED carried out a methodological change of this indicator in 2015-16, moving from a cumulative target to an annual target. To reflect a consistent picture of the results, the actual results presented from 2013-14 to 2015-16 were calculated according to the new methodology adopted in 2015-16.
[xiii] CED website, http://www.dec-ced.gc.ca/eng/index.html
[xiv] TBS InfoBase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start
[xv] Conference Board of Canada, Tourism Insights for Canada, the Provinces, and Yukon. Spring 2016.
[xvi] CED Engagement Strategy 2016, http://dec-ced.gc.ca/eng/resources/publications/other/2016/345/index.html
[xvii] CED website, http://www.dec-ced.gc.ca/eng/index.html
[xviii] TBS InfoBase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start
[xix] Evaluation of the community futures program in Quebec http://www.dec-ced.gc.ca/eng/resources/publications/evaluation/2015/326/index.html
[xx] CED website, http://www.dec-ced.gc.ca/eng/index.html
[xxi] TBS InfoBase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start
[xxii] 2017–18 Main Estimates, http://www.tbs-sct.gc.ca/hgw-cgf/finances/pgs-pdg/gepme-pdgbpd/index-eng.asp
[xxiii] CED website, http://www.dec-ced.gc.ca/eng/index.html
[xxiv] Economic Development Agency of Canada for the Regions of Quebec Act S.C. 2005, c. 26, http://laws-lois.justice.gc.ca/eng/acts/E-1.3/index.html
[xxv] CED website, http://www.dec-ced.gc.ca/eng/index.html
[xxvi] TBS InfoBase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start
[xxvii] CED website, http://www.dec-ced.gc.ca/eng/index.html
[xxviii] Report on Federal Tax Expenditures, http://www.fin.gc.ca/purl/taxexp-eng.asp